

## Message Text

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43

ACTION AF-06

INFO OCT-01 NEA-10 ISO-00 EB-07 TRSE-00 OPIC-03 AID-05

/032 W

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R 081726Z APR 76 CORRECTED COPY FOR MCN

FM AMEMBASSY NOUAKCHOTT

TO SECSTATE WASHDC 5455

USDOC WASHDC

INFO AMEMBASSY KUWAIT

LIMITED OFFICIAL USE NOUAKCHOTT 0864

COMMERCE FOR MAJOR PROJECTS

E.O. 11652: N/A

TAGS: BEXP EINV MR

SUBJECT: MAURITANIAN STEELMILL PROJECT

REF: (A) 75 STATE 297485 (NOTAL), (B) STATE 24467 (NOTAL),  
(C) NOUAKCHOT5 482

1. SOCIETE ARABE DE L'INDUSTRIE METALLURGIQUE (SAMIA) IS RESPONSIBLE, AS REPORTED REF C, FOR LOCATING FINANCING FOR NOUAKHIBOU STEELMILL PROJECT. DCM DISCUSSED PROJECT GENERALLY AND BUSINESS PROPOSAL CITED REF A WITH SENIOR SAMIA STAFF ON APRIL 7.

2. STEELMILL WILL BE DESIGNED TO PRODUCE EITHER ONE MILLION OR 500,000 TONS OF FINISHED PRODUCT EACH YEAR. IF IT IS DECIDED TO OPT FOR LARGER PLANT, MINISTRY OF INDUSTRIALIZATION AND MINES ESTIMATES TOTAL PROJECT WILL COST ABOUT ONE BILLION DOLLARS. IN ANY EVENT, SAMIA HAS DECIDED TO DIVIDE PROJECT INTO THREE SEPARATE STAGES: (A) PELLETIZING PLANT, (B) DIRECT REDUCTION PLANT AND (C) ELECTRIC FURNACE TO RPZLING MILL WITH CONTINUOUS CASTING.

3. TENDERS FOR PELLETIZING PLANT HAVE BEEN LET. ALTHOUGH TENDER WAS LIMITED OFFICIAL USE  
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SENT TO TEN AMERICAN COMPANIES,  
AMONG OTHERS, ONLY ALLIS CHALMERS SHOWED ANY INTEREST.  
(ALLIS CHALMERS TEAM VISITED NOUAKCHOTT LAST MONTH, AND SUBMITTED FORMAL BID BEFORE APRIL 1 DEADLINE.)

SAMIA HAS NOT YET DECIDED WHICH BID ON PELLETIZING PLANT WILL BE SELECTED. SAMIA HOPES THAT WORK ON THIS FIRST STAGE CAN BEGIN IN 1976 AND BE COMPLETED BY 1978.

4. SAMIA EXPECTS TO ISSUE TENDERS FOR SECOND STAGE (DIRECT REDUCTION) WITHIN NEXT TWO TO THREE MONTHS. STAFF SAID TENDERS WILL BE SENT TO NUMBER OF AMERICAN COMPANIES. WHEN DCM OFFERED TO SUPPLY NAMES OF ADDITIONAL AMERICAN COMPANIES THAT MIGHT WISH TO BID ON THIS STAGE, ONE OF STAFF MEMBERS ARGUED VOCIFEROUSLY THAT SAMIA PREFERRED TO DEAL DIRECTLY WITH PRIVATE COMPANIES AND DID NOT WANT TO GO THROUGH US EMBASSY OR US DEPT OF COMMERCE. (THIS VIEW DID NOT APPEAR, HOWEVER, TO BE HELD BY OTHER SAMIA OFFICERS. EMBASSY WOULD APPRECIATE, THEREFORE, NAMES AND ADDRESSES OF ANY AMERICAN COMPANIES THAT COMMERCE BELIEVES COULD BID ON CONSTRUCTION OF DIRECT REDUCTION PROCESS.) THIRD STAGE OF PROCESS IS STILL SOME YEARS OFF AND TENDER DOCUMENTS ARE NOT YET BEING PREPARED.

5. WHEN ASKED WHO WILL FINANCE STEELMILL PROJECT, SAMIA STAFF WAS VAGUE BUT SUGGESTED MONEY WILL COME FROM KUWAIT--EITHER PRIVATE OR GOVERNMENTAL SOURCES. IN EVENT AMERICAN COMPANY IS SUCCESSFUL BIDDER, SAMI SAID IT MAY LOOK TO EXPORT-IMPORT BANK.

6. SAMI STAFF INDICATED IT IS NOT INTERESTED AT PRESENT TIME IN OBTAINING SERVICES OF CONSULTANT FOR STEELMILL PROJECT. CONSEQUENTLY, SAMIA TURNED DOWN UEC PROPOSAL REPORTED REF A. DR. ESREF ZEKI AKA, SENIOR ADVISER TO SAMIA, SAID HE TOLD UEC REPRESENTATIVE, MR. SABA, SOME FIVE MONTHS AGO IN KUWAIT THAT SAMIA HAS NO INTEREST IN UEC OFFER. AT SAME TIME, UEC WAS ONE OF TEN AMERICAN COMPANIES INCLUDED ON LIST FOR RECEIVING TENDERS FOR PELLETIZING PLANT. HANDYSIDE  
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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 15 SEP 1999  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** STEEL, MINING INDUSTRY, INDUSTRIAL PLANTS, FINANCIAL PROGRAMS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 08 APR 1976  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** CunninFX  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
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**Status:** NATIVE  
**Subject:** MAURITANIAN STEELMILL PROJECT  
**TAGS:** BEXP, EINV, MR  
**To:** STATE  
USDOC INFO KUWAIT  
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